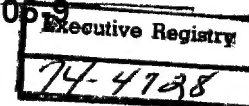


Activities of  
the Management Advisory Group  
June 1973-May 1974



9 August 1974

MEMORANDUM FOR: Deputy Director for Intelligence  
Deputy Director for Management & Services  
Deputy Director for Operations  
Deputy Director for Science & Technology

SUBJECT: MAG Annual Report 1973-1974

1. On 6 August I met with the Management Advisory Group to review its 1973-1974 Annual Report. Several activities described therein are worthy of calling to your attention. Please distribute this report to your offices heads as you wish. Sufficient copies are attached to accomplish this.

2. During my meeting with MAG we discussed very briefly its relationship with the Directorate MAG's. At your convenience, I would welcome a short status report (written or oral) on your MAG's.

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W. E. Colby  
Director

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5 July 1974

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Activities of the Management  
Advisory Group, June 1973 - May 1974

1. The activities of the Management Advisory Group (MAG) during the past twelve months are summarized in this annual report.

2. Administratively, MAG continued with monthly business and dinner meetings. In addition, monthly meetings were held with the DCI where MAG provided, at his request, recommendations and comments on several topics. Senior Agency officials continued to speak at the dinner meetings, and, for the first time, the guest speaker at one dinner meeting was from outside the Agency. That speaker was Dr. Ray Cline, then Director of INR, State Department. The fresh perspective offered by a guest from outside the Agency, but within the intelligence community, made this a particular desirable innovation. The speakers in order of appearance were: Messrs. Proctor, [REDACTED], Brownman, Evans, and Gen. Walters; also Messrs. Cline, [REDACTED], Iams, Carver, Duckett, and Gen. Graham.

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3. In September MAG held a three-day business session [REDACTED] MAG members found this session particularly rewarding, from both a business and personal standpoint. The MAG paper on personnel approaches (included as Tab J), considered by most members to be the most significant paper of the year, was developed during this meeting.

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4. During the year, consideration was given to changing MAG's affiliation from the Executive Secretariat to either the Inspector General or the Secretary of the Management Committee. However, after discussions with the parties involved, the present arrangement was determined to be preferable and will be continued.

5. Most importantly, MAG prepared a number of papers during the twelve-month period identifying or responding to problems or potential problems in the Agency and offering recommendations for improvement. Summaries of these papers, including any actions taken by management in response to our recommendations, are given below:-

A. Recommendation for CIA Policy Statement on Wives of CIA Employees Stationed Abroad. MAG recommended that a policy statement be issued to provide station chiefs and overseas employees with guidance on the question of the relationship, obligations, and duties of wives of CIA personnel abroad. The recommendation was considered by Agency management to deal with a "non-problem" and, therefore, was not approved. (Tab A)

B. Policies and Procedures in Separate Components Applicable Elsewhere. In the previous annual report, MAG presented information on a number of management policies and procedures found to be particularly effective by various components within the Agency. The Office of Personnel added to this compilation, and the Director suggested, at the time, that these techniques be publicized. This information was not published, and MAG again, during this twelve-month period, provided the Director with a summary of particularly effective techniques and again asked that

they be publicized. The Director concurred in this request and suggested that an "exhibit" of these techniques be prepared. A two-day symposium was held on 9-10 April 1974 on personnel practices, and further efforts are underway. (Tab B)

C. Summation of Excess Personnel Data. MAG reviewed directorate data on personnel considered to be excess at the time of the March 1973 excess exercise to determine if there was bias against personnel detached from their parent components. MAG did note apparent bias against some personnel assigned to other components and suggested a review of the policy of selecting personnel for these assignments. Concurrently, an employee appealed the excess action, charging bias because of assignment status. DDM&S reviewed the facts and, as a result, [REDACTED] Assign- STATINTL  
ment Policy, was revised.

D. Request for Increased Recognition of GSA Employees. MAG urged that management encourage programs which would recognize the importance of GSA employees to the Agency. Increased recognition would properly express the Agency's appreciation, have a positive effect on the morale of GSA employees, and contribute to the efficiency of the GSA work force. MAG's suggestion that the Agency publish its appreciation for GSA's work was not carried out. However, MAG's recommendations did result in an open house for GSA employees and the dissemination of positive information about GSA employees to Agency support officers. (Tab C)

E. Directorate Management. In response to the DCI's query as to what relationships should exist between the DCI and directorate MAGs, we recommended against any formal liaison or coordination requirements between the groups and urged that each be recognized as independent in its own right. (Tab D)

F. Maternity and Paternity Leave. In response to a letter from an Agency employee, MAG recommended the wider dissemination of information on maternity leave. Concurrently and unknown to MAG, Agency regulations were being rewritten to liberalize the administration of maternity leave in line with federal practice. The revised regulations have since been published. MAG did not endorse other recommendations in the letter concerning paternity leave or maternity leave for adoption. (Tab E)

G. Vacancy Procedures: A Suggestion. It was brought to MAG's attention that some employees received no feedback after applying for a vacancy. MAG, therefore, recommended that there be a formal requirement to provide written notification to all of the applicants for a position when the vacancy is filled. Management approved and implemented this suggestion. (Tab F)

H. Agency Sponsored Charter Bus Service. The title of this MAG recommendation implied that the Agency fund and organize charter bus service for large concentrations of Agency employees. However, our intent was to merely obtain Agency assistance in identifying these concentrations so that the employees themselves could organize charter bus service to their areas of residence. Specifically, we requested Agency assistance with a questionnaire and computer support to identify these employee concentrations. However, Agency participation in this idea has been judged infeasible for legal and security reasons. (Tab G)

I. The Program Call Process: Need for Reappraisal. MAG felt that Program Call was not meeting its intended purpose of being an effective management improvement tool and recommended an appraisal

of the entire process. MAG stressed that the data demanded of components below the directorate level was too detailed, and the manpower cost to provide the data was excessive. It urged a reappraisal aimed toward achieving greater selectivity in collecting data from the components and greater flexibility for the components in providing the data. Although Agency management felt that the proposal was too general, it did, in fact, indicate an intention to overhaul the Program Call process. (Tab H)

J. Centralized Courier and Pouch Facilities. MAG pointed out to the Director that numerous studies and suggestions recommending the consolidation of courier and pouch facilities within the Agency had been made, all without result. We, therefore, recommended that he personally interest himself in this matter and encourage such consolidation. He did so, and the Management Committee is directing efforts to centralize these services. (Tab I)

K. Recommendations on Agency Personnel Management. MAG made 18 specific recommendations on Agency personnel management practices to the Personnel Approaches Study Group which was developing an overall Agency policy on the subject. MAG cited the premises upon which the recommendations were based and noted that some of the recommendations were already practiced by some components but should be implemented throughout. Our inputs, as well as those from directorate-level MAG's contributed to the "New Approaches to Personnel Management" enunciated by the Director in his Employee Bulletin of 1 April 1974. (Tab J)

L. Survey of Suggestion and Invention Awards Program. MAG conducted a limited survey of the suggestion and invention awards programs, stressing both the strengths and weaknesses in the program.

It concluded that although the program seems to be fairly administered, it is impossible to quantify its value. MAG stressed that the program's ultimate success depends largely upon support from top and middle management. The survey was thought by management to be of such value that it was summarized and published as an employee bulletin in December 1973. (Tab K)

M. "Feedback" as a Mechanism for the Evaluation of Agency Performance. MAG made several recommendations for the use of feedback data as a measure of Agency performance. Management rejected the first of these recommendations, the establishment of the Publications Source Survey program on a community-wide basis, since it was thought to conflict with the Key Intelligence Question Evaluation Process (KEP), then being formulated. Decisions on the remainder of the recommendations, which involved creating a mechanism for obtaining feedback on "actionable" reporting and greater participation by NIO's and analysts in planning and evaluating collection projects, have been deferred by management until a later date. (Tab L)

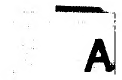
N. Steps to Encourage Car Pools. To facilitate the formation of car pools, MAG recommended that the Office of Personnel be authorized to release, under adequate security procedures and on individual-request basis, the names of all persons living within a given ZIP code or telephone exchange area. MAG felt that greater access to this information would be particularly beneficial to those living in remote areas not shown on the car pool locator boards. Although the recommendation to make available the names of potential car pool members was rejected on security and "invasion of privacy" grounds, car pool locator boards covering a larger geographic area will be installed. (Tab M)



O. New Procedures for Evaluating Research Proposals. MAG recommended modifications to the contract proposal and review process to improve its effectiveness. It criticized the process for not focusing on the specifics of a research proposal, thereby contributing to needlessly long negotiations and causing ambiguities about what the proposal will do. These modifications involved the use of four specific criteria which could be used for screening research proposals and for auditing the results of research that is funded. These modifications are now being considered by management. (Tab N)

P. Comments on the Director's Los Angeles World Affairs Council Speech. MAG recommended that the speech be given wide distribution to all employees at Headquarters and overseas and that a covering memo present some of the Director's thoughts on "going public." MAG also suggested that the Director post, perhaps on the DCI bulletin board, a list of all organizations and persons who visit and tour Headquarter's components and include his plans for future exposure. The Director indicated that he would consider implementing these suggestions. (Tab O)

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12 June 1973

MEMORANDUM FOR: Executive Secretary,  
CIA Management Committee

SUBJECT : Recommendation for CIA Policy  
Statement on Wives of CIA Employees  
Stationed Abroad

1. It is MAG's judgment that CIA should issue a policy statement on the role of the wives (or husbands) of CIA employees stationed abroad similar in substance to the Joint Department of State/Agency for International Development/United States Information Agency policy statement on this subject issued in January 1972 as Department of State Airgram A-728 (copy attached).

2. The recommendation for an Agency policy statement is not the result of a MAG study or record of instances indicating any abuses by CIA Station Chiefs in this area. Nevertheless, MAG sees utility in an Agency initiative to provide guidance to COS's and overseas employees on the question of the relationship, obligations, and duties of wives of CIA personnel abroad.

MANAGEMENT ADVISORY GROUP

Attachment

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**B**

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13 June 1973

MEMORANDUM FOR: Executive Secretary  
CIA Management Committee

FROM : Management Advisory Group

SUBJECT : Policies and Procedures in Separate  
Components Applicable Elsewhere

REFERENCES : A. Memo for Mr. Colby fr OP, dtd  
21 Feb 73, same subject

B. Memo for ExDir-Compt fr MAG, dtd  
13 Dec 72, same subject

1. Reference A from the Office of Personnel outlined additional practices in separate components which might have applicability elsewhere. MAG agrees that the Office of Personnel is the logical "clearing house" for identification, review, and sharing of personnel-related information on successful management techniques developed by the various components of the Agency. MAG further heartily endorses Mr. Colby's instruction to the Office of Personnel to "generate some action" to publicize those innovations which have proven to be effective and worthwhile.

2. The mechanical compilation of viable management policies and procedures (References A, B, and the remainder of this memorandum), however, will be a feckless exercise not warranting the time and effort required unless some sort of vehicle (verbal, written, or a combination thereof) to make them known to all managers is developed. It is realized that the establishment of an effective and continuing means of communicating these ideas is, perforce, a tall order, but one which is necessary if disparate parts of the Agency are to benefit from the experimentation of other components.

3. The following paragraphs contain a few additional policies and procedures which have come to MAG's attention since References A and B were prepared and are forwarded as an addendum to these memoranda. Once again for your convenience, the contributions have been grouped under the categories of orientation, communications, personnel planning and development, evaluation, and utilization of junior officers.

The consolidation of parts of the earlier memoranda and these paragraphs into a package for distribution to Agency managers would be a good beginning (but only a beginning) in communicating these ideas.

#### 4. Orientation

A. OSI has several methods of guiding a new analyst. He meets with the Director of OSI upon entrance on duty and again after three years to discuss his problems and future in the office. New professionals of GS-11 rank and below are assigned a "big brother" who not only introduces him to certain Agency facilities and services, but also reports monthly for nine months to the OSI personnel officer on how well the new employee is settling in. Any major problems with the new employee are called to the attention of the Director of OSI through this mechanism.

B. Additionally, OSI utilizes a form listing various Agency briefings and familiarization tours (such as an NPIC tour) which is sent to a new analyst's division as a reminder to his supervisor that he should be sent to appropriate ones. Furthermore, each division and the production staff brief groups of new analysts so that they can become familiar with the overall responsibilities of the office. To acquaint OSI divisions with new employees, OSI issues a short biography on recent arrivals.

#### 5. Communications

A. OSR has issued a directory -- sized and folded to fit into the Agency phone book. This directory allows for easy access to the division or analyst within OSR who may have the answers to questions posed by personnel within and without OSR. OCI and OER have similar listings of personnel and offices which lead to easy access to those who may have the expertise required to answer specific questions.

B. OSI has established a biweekly office newsletter which contains substantive and administrative information concerning the past two weeks, upcoming events of interest, and editorials from the division chiefs. Every other week, a calendar alone is issued listing the significant events for the coming week.

C. OSI has a yearly awards program with the entire Office in attendance in the auditorium. Awards are given and the Director speaks on any topic he feels of interest to the Office or the chiefs may choose to discuss their activities for the past year. On occasion, selected analysts have spoken on matters which they deemed to be of interest to the entire Office.

6. Personnel Planning and Development

OSI has issued notices and regulations covering the role of the career service panel, promotions, evaluations of performance, and recognition of superior performance. The career service panel includes two members-at-large (as opposed to each division and staff chief) who serve for two years; they are picked from GS-11s through GS-14s.

7. Evaluation

OSI requires each supervisor preparing fitness reports to hold a mid-point discussion with the analyst being reviewed. Strengths and weaknesses are discussed by the supervisor, and the reviewee is expected to air his complaints and problems at that time. This has proven to be an excellent mechanism for opening the lines of communications between the employee and the supervisor. A memo of the conversation is prepared by the reviewer, shown to the reviewee, and then placed in OSI personnel records.

8. Utilization of Junior Officers

A. The Office of Security also has a Management Advisory Group (which came into existence at about the same time as MAG) consisting of young careerists, grade GS-11 or below, who have been with the Office of Security for at least one year. It is chaired by the Deputy Director of Security with its objective -- "to obtain management input and advice from our younger careerists."

B. The Office of Communications' Administrative Review Panel, established at a radio base station [REDACTED] proved to be a worthwhile example of utilization of junior officers. Membership was voluntary and divided among the operations, technical and telecommunications staffs, excluding supervisory personnel. Its purpose was to open lines of communications between the station administration and the remainder of the staff. Indeed, the panel received so many queries and recommendations that the frequency of meetings was increased from monthly to weekly to deal with the workload.

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Attachments:  
Reference A  
Reference B

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Executive Registry
73-4163

11 July 1973

MEMORANDUM FOR : Executive Secretary, CIA  
Management Committee

FROM : Management Advisory Group

SUBJECT : Increased Recognition of GSA  
Employees

1. A MAG inquiry into the Agency's relations with the General Services Administration (GSA) has resulted in the conclusion that working arrangements and coordination on day-to-day matters are excellent. However, in some areas the Agency could take action to assist GSA in building and maintaining a work force which would be more efficient and, consequently, more highly regarded and appreciated. Specifically, the Agency could encourage its personnel to give proper recognition to the GSA work units and, in particular, to the custodial force. For example, the Agency could issue employee bulletins which point out how each Agency employee can help to make the custodial forces' job just a bit easier. This action alone might signal to the GSA work force that indeed, "Somebody does care."

2. The Agency and GSA should continue to explore possible programs which might cause the GSA employees to feel more appreciated by their CIA tenants. For example, an open house for GSA employees and their families seems a simple, inexpensive gesture which could have a positive impact on the morale of GSA employees. There are

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similar ideas that both Agency and GSA officials have considered which have not been implemented for one reason or another; they should be reviewed and, if they remain valid, should be reconsidered.

3. MAG believes that Agency management should actively encourage any programs which could assist GSA in accomplishing its mission. It appears that, as an initial move, publication of the Agency's concern and appreciation for the job GSA is doing would be appropriate. From there, additional programs should be explored which could result in an improved working environment for both Agency and GSA employees.

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24 July 1973

MEMORANDUM FOR: Executive Secretary, CIA Management Committee

SUBJECT : Directorate Management Groups

1. The Management Advisory Group has been asked to comment on the relationship which should exist between the MAG and the recently formed Directorate management groups.
2. The MAG recognizes the Directorate management groups as sovereign bodies. They exist independently of the MAG, and presumably will be responsive to the needs of their components and the guidance of their respective Deputy Directors.
3. The MAG members, individually and as a committee, will attempt to respond positively to any request for advice or cooperation from the Directorate management groups. However, the MAG is reluctant at present to suggest any formal liaison or coordination requirements.
4. The MAG understands that former MAG members may serve initially with the Directorate management groups. Informal relations between the MAG and the other management groups should develop naturally if this practice is followed. The MAG will continue to monitor the development of relations between the groups, and may have some additional suggestions to offer in the future.

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73-4367

PERS 73-4812

14 August 1973

NOTE FOR: Director Central Intelligence

FROM : Management Advisory Group (MAG)

SUBJECT : Maternity and Paternity Leave

1. The attached memorandum was sent to MAG for consideration. Upon investigation it was determined that the central issue was whether a person adopting a child or a man whose wife was having a child should be able to use sick leave, as is the case for women who are pregnant. MAG was informed by the Office of Personnel that the Agency's rules in this matter are in conformity with Civil Service regulations.

2. The writer of the memorandum offers three recommendations in paragraph five of his submission. A majority of the MAG does not endorse recommendations a and b. Recommendation c, however, is endorsed by MAG. We believe that this could best be accomplished through an Employee Bulletin on the subject or as part of the Office of Medical Services "Newsletter."

3. We are forwarding this memorandum for your information. MAG plans no further action on the subject.

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26 June 1973

MEMORANDUM FOR: The Management Advisory Group  
SUBJECT : Maternity and Paternity Leave

1. I would like to call to your attention some inequalities with regard to the Agency's policies on maternity and paternity leave. The problem came to my attention because of my recent, personal experience arising from my adoption of a foreign child.
2. Confusion exists over the Agency's maternity leave policy. For example, most women believe they must go on maternity leave at the end of the seven and one-half months of pregnancy. The Agency does permit a woman to work longer in certain instances, if the doctor advises it is not injurious to her or the baby. This option is not well known and in fact, women are rarely told that it exists.
3. Eligibility for maternity leave is defined in terms of capacity (or incapacitation) for work. Taken in strictly medical terms, this automatically eliminates a man from receiving paternity leave. Such a fixation on biological criteria alone is, I suggest, a form of discrimination which is out of date with the current government emphasis on equality of the sexes. There are many forms of incapacitation. Certainly a husband can become incapacitated for work, worrying over the care his other children are receiving while his wife is in the hospital.
4. Under the current regulation, a woman who is adopting a child is not eligible for maternity leave, because there is no biological incapacitation. Again the phrase incapacitation is defined in the narrowest of terms, to the point where in fact it becomes a form of discrimination.
5. I suggest that the whole policy of maternity/paternity leave be re-examined, that the Agency not hide behind narrow and somewhat antiquated bureaucratic interpretations, and that CIA streamline its maternity/paternity policy along the following lines:

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- a. Men be granted paternity leave in cases where their wives are having natural childbirth, or in cases where an adoption is involved.
  - b. That women adopting children be given the same right to maternity leave as women having natural children.
  - c. That the confusion over maternity leave be cleared up. More specifically that pregnant women be told that they have the option to work longer than seven and one-half months of their pregnancy.
6. I hope that the Management Advisory Group will find enough merit in the problem to consider it, or pass it on to the appropriate committee.

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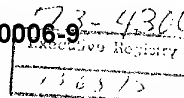
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PERS 73-4869

14 August 1973

MEMORANDUM FOR: Director Central Intelligence  
FROM : Management Advisory Group (MAG)  
SUBJECT : Vacancy Procedures: A Suggestion

1. It has been brought to MAG's attention that some employees have received no feedback after applying for a vacancy, in effect leaving them in a state of limbo. The problem appears to be a breakdown in the Agency's normal procedures. MAG understands that on Agency-wide vacancy notices the Office of Personnel is supposed to notify all applicants or their personnel officers when the position is filled. A similar procedure is supposed to operate within the Directorates on intra-Directorates vacancies.

2. Adequate feedback is an essential ingredient of good management and good personnel relations. To insure that this occurs concerning vacancy applications, MAG recommends that once a vacancy has been filled, the Office of Personnel or the appropriate office within a Directorate have the formal requirement to provide written notification to all the applicants for a position that it no longer exists. This could be done by a simple form letter which would be sent automatically to the applicants.

3. If you believe that this suggestion has merit, you might wish to forward it to the Office of Personnel and the Directorate personnel officers for action.

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62-4366  
1323  
PLRS 73-4869

14 August 1973

MEMORANDUM FOR: Director Central Intelligence  
FROM : Management Advisory Group (MAG)  
SUBJECT : Vacancy Procedures: A Suggestion

1. It has been brought to MAG's attention that some employees have received no feedback after applying for a vacancy, in effect leaving them in a state of limbo. The problem appears to be a breakdown in the Agency's normal procedures. MAG understands that on Agency-wide vacancy notices the Office of Personnel is supposed to notify all applicants or their personnel officers when the position is filled. A similar procedure is supposed to operate within the Directorates on intra-Directorates vacancies.
2. Adequate feedback is an essential ingredient of good management and good personnel relations. To insure that this occurs concerning vacancy applications, MAG recommends that once a vacancy has been filled, the Office of Personnel or the appropriate office within a Directorate have the formal requirement to provide written notification to all the applicants for a position that it no longer exists. This could be done by a simple form letter which would be sent automatically to the applicants.
3. If you believe that this suggestion has merit, you might wish to forward it to the Office of Personnel and the Directorate personnel officers for action.

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20 August 1973

MEMORANDUM FOR: Mr. Colby

SUBJECT : Agency Sponsored Charter Bus Service

1. It has been suggested to MAG that management should give serious consideration to the establishment of a charter bus service for Agency employees. Efficiently operated bus service could help alleviate the problems of parking, tardiness, traffic congestion, the energy crisis and air pollution.
2. Unfortunately regular bus service to the Agency is poor, requiring some people to make several transfers, involving long circuitous routes in many cases, and with no service available in all too many areas.
3. There are numerous communities in the metropolitan area where large numbers of Agency employees reside. These areas could be identified by means of a questionnaire and computer support. Charter bus service would be directed at these locations.
4. MAG recommends that the Office of Logistics and the Office of Security give priority to preparing a plan for the creation of a charter bus service.

THE MANAGEMENT ADVISORY GROUP

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100-100000  
72-5236

22 August 1973

MEMORANDUM FOR: Mr. Colby

SUBJECT : The Program Call Process: Need  
for Reappraisal

MAG has surveyed Program Call (as a process, not just a document) and concluded it isn't living up to its promise as a management improvement tool. In particular, MAG believes far too much manpower is devoted to reporting requirements in a detail unnecessary for effective management. MAG believes this is an appropriate time for a fresh look at the entire process.

1. At the beginning of FY-73, departing from the previous Ex-Dir's approach of withholding a sizeable portion of the funds for contingencies, the Ex-Dir distributed all of the Congressionally approved funds to the DD's. Consistent with this decentralized management philosophy, line managers performance is now to be measured against specific objectives. Program Call, however appears to remain, conceptually and in practice, a remnant of the former centralized approach under the Ex-Dir. Excessive amounts of information are being collected to permit O/PPB to scrutinize components below directorate level.

2. Obviously, effective management at higher levels of authority requires a scrutiny of the activities of lower echelon components. However, increasing demands for detail have made this a burdensome task for many components. As the volume of generated paper gets greater with each passing year, components often merely go through the drill of "playing the game". MAG believes the effort devoted to collecting and recording these data drains both resources and spirits far beyond the necessities of effective management. MAG believes that efforts expended in Program Call data collection would be lessened if they were subjected to the same constraints pressed upon line component resources.

*Revised*  
*Ex-Dir*

3. Within certain components the real planning effort is separated from the business of fulfilling the Program Call reporting requirements. MAC is unable to sort sincere problems from mere excuses in regard to arguments for separate planning processes. Some argue, for example, that the schedule of Program Call is inappropriate to actual decision-making; others refer to the need for rapid and personal interaction between management levels in reaching planning decisions. In short, there is strong evidence that committing all components without exception to Program Call has resulted in a stalemate. MAG believes that it is important for each directorate staff to start meaningful dialogues with line components to understand and isolate the important factors on which management decisions are based.

4. The "Management by Objectives" Performance Measurement approach has been recently added to the Program Call process. The basic concept of management by objectives is attractive, despite concern over how to measure performance by quantitative indicators. The present approach is to make a quantitative measurement of performance against the annual list of objectives at the end of the year. In many types of work, both in government and industry, this is more than sufficient. But in the intelligence business priorities are altered, often overnight, by world events, shifts in political alignments, collection breakthroughs, etc.. For some components, therefore, a meaningful measure of performance would seem to be a rating of their ability to react successfully to a crisis, or to a major shift in priorities. Yet the current system, consisting only of a fixed set of objectives, seems to imply that a manager who reallocates resources away from fixed objectives to meet a new situation will lower his performance score.

5. It does seem evident that components requiring great flexibility to reallocate resources can plan with less confidence than stable components. But by what seems a paradox, DDO area divisions, which generally are recognized by MAG as requiring considerable operational flexibility, also generate the largest volume of paper for Program Call and for the closely related project report system. For example FB Division's reporting load for last year amounted to 31 man-years (estimated by MPS), of which seven man-years were required to respond to the Program Call document. MAG wonders why large amounts of manpower should be spent cataloging such detail when estimates would appear to suffice. MAG doesn't understand why the need for operational flexibility (primarily in the DDO) should not inspire less reporting, rather than more.



6. Furthermore, performance evaluation becomes clouded when measured against existing objectives. Since formal requirements are not removed short of the annual Program Call, an action unit presumably remains responsible for their fulfillment regardless of how many ad hoc requirements have been levied during the year. A major effort must be made to review and overhaul past objectives if the Management by Objective Performance Measurement approach is going to work. The Program Call Process probably should begin with a wide canvass of future consumer requirements and be backed by a sensitive input from action units regarding their own future needs. MAG believes that performance evaluation must involve three factors: tangible results measured against a valid objective, the costs to achieve those particular results, and the degree to which results meet consumer requirements.

Recommendation:

In brief, MAG recommends a reappraisal of the Program Call Process in its broadest management sense. In the spirit of improving management effectiveness while reducing resources expended in reporting, the reappraisal should be directed toward greater selectivity in the collection of data from different components, and greater flexibility in the methods permitted to those components in providing data.

Management Advisory Group

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20 September 1973 *73-4364*

MEMORANDUM FOR: Director of Central Intelligence  
FROM : Management Advisory Group  
SUBJECT : Centralized Courier and Pouch Facilities

1. The Agency courier and pouch facilities are a decentralized and compartmented conglomeration of services and resources. Since 1962 three major studies and two Employee Suggestions have recommended, with one exception, consolidation of the various courier systems as a cost saving measure. The single exception argued for decentralized service based on the need for security compartmentation. In spite of the time and effort spent studying this issue, and the similarity in the conclusions and recommendations reached, no implementing action has been taken. Still, it would seem that with appropriate courier clearances and wrapping procedures, all classifications and categories of materials could be transmitted within a centralized courier and pouch system without violating either security or the "need to know" principle.

2. The Information Systems Analysis Staff, DDM&S is currently conducting yet another study of this problem. MAG recommends that you express a personal interest in this issue and encourage the adoption of procedural and policy changes requisite to establishing a centralized courier and pouch service.

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12 October 1973

MEMORANDUM FOR: The Personnel Approaches Study Group  
FROM : The Management Advisory Group  
SUBJECT : MAG Recommendations on Agency Personnel Management

The Management Advisory Group recommendations outlined below are presented for the consideration of the Personnel Approaches Study Group in framing its analysis of Agency personnel management. MAG is aware that some of the procedures recommended are already practiced in some components; they are included because MAG believes they should be implemented throughout the Agency. For the sake of brevity, we have not included background arguments or the detailed rationales which underlie specific recommendations, but we would be happy to discuss them if requested to do so.

The premises listed describe MAG's points of departure in the preparation of its recommendations. They are reproduced here because we believe them to be important in their own right.

#### PREMISES

1. Resource constraints will require the Agency to operate with fewer people.
2. The Agency is and must remain mission-oriented; therefore, personnel management policies must reflect and support rather than drive Agency programs.
3. Mission requirements are continuously changing and increasing in complexity.
4. Top management is committed to change.
5. A great many Agency problems and a majority of morale problems result from poor supervisory performance.
6. The Agency is losing too many desirable and productive employees.

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7. Orderly separation of marginal employees is a necessary part of personnel management. Although Agency regulations provide the basis for such a process, they have yet to be implemented in any consistent Agency-wide fashion.
8. Agency bureaucratic processes have grown to the point where they inhibit fulfillment of the Agency's mission and are a detriment to morale and efficiency.

#### RECOMMENDATIONS

1. Establish one Career Service for each Directorate and one for the DCI.
2. Create a Career Service for all GS-16s and above.
3. Create a Career Panel system along functional lines within each Career Service.
4. Actively exercise the Director's prerogative to select-out marginal performers. One function of the Career Panels should be the ranking of employees and the identification of marginal performers.
5. Expand and make more effective out-placement services to encourage the resignation of marginal employees and to facilitate early retirement.
6. Eliminate the concept of a limited probationary period followed by career status because it leads to the tenure syndrome.
7. Require formal supervisory training for all professional employees.
8. Establish specific criteria against which each supervisor will be evaluated in a separate section of his Fitness Reports.
9. Require periodic formal reverse Fitness Reports on supervisors to obtain subordinate views in evaluating a supervisor's performance. This might be done initially on an experimental basis in selected components.

10. Expand the number of specific, high-grade slots throughout the Agency for promoting individuals who possess vital, non-supervisory skills.
11. Greatly expand the number of rotational assignments, preferably outside home offices, for promising officers at all levels.
12. Abolish the group-hiring aspect of the Career Training Program and hire new employees against specific openings.
13. Establish an intra-Agency information bank on personnel where supervisors with jobs to fill can look for candidates. Recommend that a search of this bank be a first step in filling vacancies.
14. Create a number of one-year fellowships which will bring outside talents into the Agency as a means of providing Agency employees with access to special skills and fresh outlooks from academia, industry, and other Government agencies.
15. Expand sabbatical programs which will place selected Agency employees in academic and professional positions outside the Agency.
16. Use the MBO process for the early identification of marginal programs and skills so that affected employees can be retrained and assigned elsewhere.
17. Encourage a One-Agency attitude by assigning not less than 30 employees per year from each Directorate to related functional areas in other Directorates for not less than one week.
18. Require that Directors and Office Heads meet periodically with groups of employees at all levels within their components.

MANAGEMENT ADVISORY GROUP

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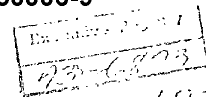
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MEMORANDUM FOR: Executive Secretary, CIA Management Committee  
FROM : Management Advisory Group  
SUBJECT : CIA Suggestion and Invention Awards Program

1. MAG has conducted a limited survey of the CIA Suggestion and Invention Awards Program. Interest in this subject arose as a result of individual expressions of concern over the effectiveness of a program whose fundamental purpose is to "promote efficiency in Government operations." A number of pertinent points emerged from the survey.

Strengths and Weakness in the Program

2. The Suggestion and Invention Awards Program is a useful instrument of change. It draws employee attention to the need for new ways of doing old things. It encourages experimentation. It attempts to draw on the ideas of those persons who otherwise might remain silent or go unheard.

3. The Suggestion Program provides an independent channel of communications and forces attention and possible action where it otherwise might not occur. This is particularly true in cases where the impact of an idea crosses command lines.

4. Management displays an ambivalent attitude toward the program. Some managers are enthusiastic supporters and users of the system; others are vocally opposed to it.

5. The cost of the program is determined in terms of awards paid out and the amount of funds expended on full time staff support. The cost of evaluation goes unmeasured. This point is a major argument of the denigrators.

6. The absence of an appeal system leaves the program open to criticism from participants. The lack of a clear argument for such a feature does little to calm the waters.

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#### Criticisms

7. Considering the divergence of views toward the Suggestion Program a high level of criticism of the program is to be expected. Two are worthy of particular note. Of first concern is the effect of the program on management-employee relations. The present evaluation process tends to extend over a fairly lengthy period of time - 60 days at best with one to two years a frequent occurrence. In spite of frequent feedback communications by the Executive Secretary, the use of the form letter expedient causes some suggesters to be critical of the system. Declined suggestions are often viewed as being either misunderstood or the victim of "politics." Evaluators tend to view the program as an infringement on their authority, a reflection of their ability and an attempt to interfere with the operation of their activity. At best, it is too often viewed as an imposition on their already crowded schedule of work. Some managers view the program as a low priority activity of marginal benefit.

8. A second important criticism is of the evaluation procedure. Busy line evaluators too often fail to take the time to consider and articulate a decline fully. At the same time, acceptances too frequently are expressed in unquantified terms and are thus further delayed when returned for further documentation. In either case, the program and its participants suffer. If a suggestion is offered then declined, it must be for good and sufficient reason, one which the suggester can accept at face value. If it is accepted, it should be accepted and promptly implemented.

#### Conclusions

9. It is MAG's conclusion that the importance of the Suggestion and Invention Awards Program to the Agency is a value judgment. There is no precise or quantifiable method of arriving at such a conclusion. MAG does believe that the program is fairly and ambitiously administered by the Suggestion Awards Committee and the Executive Secretary. Their ability to further improve the Program depends almost exclusively upon the degree of top and middleline management support they receive.

#### Attachment:

Background on the CIA Suggestion and Invention Awards Program

Attachment

CIA Suggestion and Invention Awards  
Program

BACKGROUND

1. The official purpose of the CIA Suggestion and Invention Awards Program is to "promote efficiency in Government operations." The ability to measure program effectiveness accurately against a broadly stated goal is limited at best and perhaps explains why there is a marked divergence of attitudes toward the present program. The program is based on the hypothesis that a formal system of paid awards will increase the quantity and quality of suggestions and inventions forthcoming from employees. Whether one subscribes to the concept of the suggestion program or not it does serve as an instrument of change. The very idea of encouraging employees to think of new methods and ways of doing the job supports the ongoing need to induce change in the bureaucracy. If it were to serve no other purpose this factor alone gives the program merit.
2. Management attitude is all important. Some supervisors feel that the employee is paid to think and make suggestions as part of his job. If his suggestions are good, the individual should expect career enhancement and promotion as sufficient award. On the other hand, when an employee has an idea not closely related to his job or one with which his supervisor may not be in sympathy it is difficult and too frequently impossible to obtain a fair evaluation. Employees who use the suggestion system are often viewed with suspicion by their supervisor who may feel that the employee is "selling" ideas which otherwise might be withheld. Such mixed attitudes are a reality and cannot be easily countered. Strong management support for the program is indispensable and a continuing educational program is essential if the program is to function at even a minimum level.
3. In looking at suggestion systems operated both in Government and industry one finds two methods of evaluation in use - line and staff. In the former, a suggestion is evaluated within the chain of command usually at the implementing level. The theory underlying this approach is that

the potential implementer is best qualified to evaluate the idea and after all is the one person who must accept the change involved. The staff method uses an independent evaluator assuring greater objectivity toward change and a lack of impingement on the line manager's limited time. The Agency uses the line organization or implementer approach as an expedient to avoid position staffing problems and in recognition of the merit of involving the implementer. One of the penalties of using the line organization is the competition between the evaluator's primary job demands and suggestion evaluation duties. Private industry experience reveals line evaluation requires twice the time for processing a suggestion or 90 days versus 45 days on the average. Data are not available to show whether an inverse relationship exists in the implementation phase.

#### The Agency System

4. Suggestions are forwarded to the Executive Secretary of the Suggestion Award Committee (SAC). Each one is reviewed for eligibility and either rejected or forwarded to the prospective implementing component(s) for evaluation. If declined a formal reply is sent through the Directorate Committee Member of Office Head to the Executive Secretary. The Executive Secretary may accept the declination and advise the suggestor or he may protest to the evaluator if the rejection is found wanting. Under the present system the Executive Secretary exercises final judgment on declinations. The Executive Secretary may also refer the suggestion to additional components or to other Agencies. If the suggestion is potentially patentable, it will be referred to the CIA Patents Board. There is no formal provision for appeal by the suggestor. The SAC does not receive reports on or become involved in rejected suggestions except at the discretion of the Executive Secretary. At one point in the Agency's history the SAC did review rejections but found there were too few decision changes to warrant the time required for the task. Accepted suggestions are returned to the Executive Secretary who in coordination with the implementing office determines the extent of tangible and intangible first year savings. A recommendation is made to the SAC concerning acceptance and recommended awards. During the entire process the Executive Secretary keeps the suggestor informed concerning the status of the suggestion.

5. Membership on the SAC is approved by the Director and consists of one representative from each Directorate. The committee is chaired by either the Director or Deputy Director of Personnel. Technical advisors are appointed and called to assist the committee as needed. The SAC devotes its efforts to validating or amending the recommendations of the Executive Secretary concerning awards for approved suggestions. The Executive Secretary works closely with Suggestion Awards personnel in the Civil Service Commission, other Government agencies and with private industry through the National Association of Suggestion Systems (NASS). Through his efforts the SAC is able to keep abreast of developments in Government and private industry.

#### Suggestion Program Accomplishments

6. FY-1973 was the most active year in the history of the Agency Suggestion Program with 545 suggestions processed. Some 193 cases were approved with awards totalling \$38,285. This amount is 62% higher than FY-1972 and 76% higher than the previous record year. Approximately 85% of the total suggestions received were ruled eligible for evaluation; 42% were eventually adopted. The Government-wide rate for adoption is 25-26%. The average cash award was \$219 as compared to the Government average of \$83. The highest single award granted was for \$6009 divided equally between three co-suggesters. First year tangible savings for all suggestions amounted to \$378,840; intangible benefits were estimated at \$404,900 for a total of \$783,740 in total savings and benefits. In comparison to other Suggestion Programs, the Agency had a very good year. Yet, assuming that each suggestion was submitted by a separate individual (not a good assumption) fewer than 3.6% of Agency employees participated in the program.

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MEMORANDUM FOR: Director of Central Intelligence  
FROM : Management Advisory Group (MAG)  
SUBJECT : "Feedback" as a Mechanism for the  
Evaluation of Agency Performance

1. MAG recently completed a limited review of the various formal and informal mechanisms used by consumers to provide the Agency with feedback on the usefulness of Agency intelligence reporting. During this review, we identified certain problems and possible solutions which we believe have a direct bearing on your current interest in feedback as a mechanism for the evaluation of Agency performance. These problem areas and possible solutions are summarized in this memorandum.

2. We believe current feedback mechanisms are deficient in the following respects:

a. There is a need for more formal, direct, and specific feedback from ultimate consumers to the collectors and producers of finished and actionable intelligence. Some informal feedback exists, but it is deficient in that it does not necessarily represent the views of the ultimate consumer nor does it lend itself to formal analysis.

b. Inadequate use is being made of available feedback data, particularly Publications Source Survey (PSS) data, in assessing the actual and relative effectiveness of the various collection methods and programs directed against the same geographic or functional targets.

c. There is a need for greater participation by consumers in the forward planning of collection activities, particularly in the human collection area, as a means of improving requirements and tasking (one form of feedback) while concurrently developing a better understanding, on the part of consumers, of the limitations of the various collection methods.

d. Increased use should be made of feedback for the identification of marginal collection programs and efforts.

3. While we believe that your current efforts in the establishment of the National Intelligence Officer (NIO) program and management by objectives (MBO) may alleviate some of these problems, there are other courses of action which may contribute not only to the solution of these problems but also to your desire to establish mechanisms for the evaluation of Agency performance. Specifically, we believe the following options are worthy of your consideration:

a. The PSS program should be established on a community-wide basis. The PSS presently provides Agency collectors with an assessment of the usefulness of their intelligence reporting; and, at least within the DDO, it is used as one indication of the actual and relative effectiveness of particular collection programs. If compiled on a community basis, this data could also serve as a measure of the effectiveness of Agency collection programs vis-a-vis the rest of the community.

b. A program similar to the PSS should be established for actionable reporting, particularly such reporting by the DDO. At present, less than 7 percent of DDO reporting is used in the most important finished intelligence publications; and, by informal estimates, the amount of DDO reporting which is directed towards actionable items rather than national intelligence needs is something near 50 percent and increasing. It is essential, then, that specific, direct feedback on the usefulness of this reporting be made by the recipients of this reporting. Just as the PSS assesses the contribution made by a report to the finished intelligence product, this proposed program would assess the contribution made by a report to the action finally taken.

c. The concept of the NIO structure should be expanded to cover actionable reporting as well as finished intelligence. While the concept of actionable reporting has particular application to the DDO, equivalent reporting occurs in the SIGINT and reconnaissance areas as well.



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d. NIO's and analysts should participate, personally and directly, in the planning and evaluation of collection projects, including human collection projects. In this manner, we believe more specific and relevant requirements and tasking will result as well as better understanding of the limitations of the various collection methods.

e. Feedback in the form of PSS data, feedback from NIO's, and MBO should all be used in a concerted effort to identify marginal collection efforts and programs. As a result of this effort, we would anticipate the designation of certain countries and targets against which collection efforts will be discontinued, and the identification of considerable community-level requirements and tasking which are no longer valid.

4. If you desire, we would welcome the opportunity to meet with you, or appropriate staff officers, to discuss this memorandum in greater detail.

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MEMORANDUM FOR: The Director

SUBJECT: Steps to Encourage Car Pools

1. The MAG recommends that you exploit current concern with fuel restrictions to try again to encourage car pools among Agency employees. The pluses and minuses of car pools are clear to most employees, but in current circumstances the pluses might usefully be restated in an Agency-wide bulletin.

2. The map and locator card system on the first floor has proven to be a less than perfect system, primarily because it does not identify Agency employees whose homes are proximate to an individual seeking to establish a car pool. (Nor should such information be displayed in our halls.) Such an individual must await the decision of another employee to participate in the map/locator system and is not able to use his powers of persuasion to seek out potential poolers because he does not know who they are. Nonetheless, a reminder on the existence and purpose of the map/locator system is probably in order.

3. But we believe that the prerequisite for expansion of car pools among employees will be access to information on what employees live close enough together to make a car pool worthwhile. This is particularly true for employees living in more remote areas not shown on existing car pool locator maps. In any case, we suggest that the Office of Personnel be

authorized to release, under adequate security procedures and on an individual basis, the names of all persons living within a given ZIP code or telephone exchange area. It is our understanding from personnel of the Statistical Reporting Branch, Control Division, Office of Personnel, that such information is included in current computer runs and could easily be made available with minor reforming of the runs.

4. We suggest that an individual, not a committee, be appointed to work out the details as quickly as feasible.

THE MANAGEMENT ADVISORY GROUP

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8 April 1974

MEMORANDUM FOR: Director of Central Intelligence  
SUBJECT : New Procedures for Evaluating  
Research Proposals

Introduction

STATINTL

1. I suggest sponsoring development of a technique to estimate numbers we want to know, from data we do know or are willing to assume.

2. The review process for each proposal is sometimes complicated. A DDI analyst may, for example, suggest that a research contractor should be hired to do something. The analyst can then either ask the Office of Research and Development (ORD) to pay for the venture, or can request DDI funds. In either case, the request filters upward through layers of management until one directorate ultimately pays or says no. Alternatively, high-level management in the DDS&T can initiate a proposal which may then be reviewed by DDI officers. There is no single channel for all proposals, and there need not be.

3. Usually the right people see and comment on each proposal, but often no one ever learns what the contractor will do, or how his work will be controlled.

STATINTL

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in the DDI and the DDS&T can encourage or discourage spending five million dollars as the proposal recommends.

STATINTL

4. To determine what [REDACTED] would do with the money, one reads on page 40 of the proposal that "...the primary aim of this proposal is to be able to predict the world's food supply..." What does this mean? Will we get forecasts of each country's grain and livestock outputs? Apparently not, since on page 20 we learn that the "climate/food system" will be "disaggregated no farther than is absolutely necessary to obtain a good simulator of its performance. This means that disaggregation in the Climate/Food Simulator to be developed will stop well before the level of chloroplast physiology, even well before the levels of individual crop plants and individual fields."

5. If the Climate/Food Simulator will not predict grain production, then what will it do? What policies will the study evaluate? The answer may well be that the study will be a systematic interdisciplinary effort to solve vital nutritional problems bearing on national security. What nutritional problems? This sort of question/answer game can continue through endless meetings and memoranda, and perhaps never be resolved.

6. The game continues because we seldom ask the right questions. By asking for research plans, proposals, and objectives, we elicit meaningless generalities.

#### Recommendations

7. Slight modifications of the contract proposal and review process could greatly improve its effectiveness. The Agency officers who first advocate funding a proposal should be asked to:

a. Prepare a table of variables. In no more than ten pages, this table would summarize what the proposed research would accomplish. For example, rather than saying that a study's primary aim is to predict the world's food supply, one could say that the study will predict for the next four years the time series on Soviet grain production found on page 323

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of the National Economy of the USSR, 1972. If this prediction is to be linked to policy variables such as the US price support for domestic wheat production, then the policy variables should also be identified precisely.

b. Specify a benchmark against which the new estimating technique will be compared. Anyone can forecast, so the chief research problem is to develop a technique that works better than known methods. The managerial problem is to determine whether additional accuracy is worth the cost.

STATINTL

c. Specify the performance criteria by which the new estimating technique will be judged. Given a new technique and a benchmark, how will we determine which one is best? This is a difficult question, and one that deserves attention before we spend money to develop a method.

d. Identify the Agency customers whom the new method would serve. Potential customers should be told exactly what the method will do, and how it will be compared with alternative approaches. In particular, many customers want to know something about food and the weather. But who cares about Zambian production of crops?

STATINTL

of tree ring diameters?

#### Summary

8. The four major questions outlined above could be used in two ways, first for screening research proposals, and then for auditing results of research we fund. In any audit we should expect to find research efforts that failed because a contractor simply could not devise a better method to do a certain task.



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9. But when we find a technique that has been developed but never used, we should ask why. Did we ever understand what the contractor would do? Did we determine which customers would use the technique's results? This sort of audit would help greatly in planning future research programs.

MAG

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21 May 1974

MEMORANDUM FOR: Director, Central Intelligence Agency  
SUBJECT : Comments on the Director's Los Angeles  
World Affairs Council Speech

1. MAG's general reaction to this address is entirely favorable. We find the address to be a clear statement of the Director's views on the nature of an intelligence agency in an open society. MAG believes statements like this will enhance the Agency's image to all employees. With this in mind, MAG recommends that full benefit be derived from this statement by giving it wide distribution to all employees at Headquarters and overseas. Additionally, MAG recommends that a cover memo accompany the address, presenting some of the Director's thoughts, previously shared with MAG, on "going public".

2. MAG's view of the Director's, "Openness reinforcing unease in the Agency", is as varied as the degrees of openness contemplated. Some sense the Director should keep all employees posted as to the form and extent of openness in practice; for instance, prominently posting a list of all organizations and persons receiving "tours" and plans for future exposure. Other MAG members sense the Agency has demonstrated a capability to steer clear of problems in the past and that this capability will guide the Agency through this new era of "openness". Others sense indifference to the whole issue.

3. MAG will be prepared to discuss this further with the Director at the monthly DCI/MAG meeting in May.

MAG

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